

## PROJECT OVERSIGHT REPORT

Comprehensive Assessment Reporting Evaluation (CARE)  
Department of Social and Health Services

Report as of Date:  
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**Project Director:** Daniel Knutson-Bradac  
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**Executive Sponsor:** Penny Black

**Description:** The purpose of the Comprehensive Assessment Reporting Evaluation (CARE) project is to develop a new system that will enable consistent, accurate, and efficient client assessments and plans for adult Medicaid clients in need of long-term care. The goals of the project are to: ensure correct eligibility determinations are made for corresponding benefits; establish a standard and consistent case management process that will ensure accurate assessments and client care plans; and, provide a formal assessment of risk indicators to reduce liability and protect vulnerable adults. CARE will replace an older Visual Basic and Access-based system developed by the Department of Social and Health Services' (DSHS) Aging and Adult Service Administration (AASA).

AASA has contracted with Deloitte Consulting for the development of the CARE system on a deliverables-based, fixed-price basis for \$2.965 million. Deloitte spent five years designing, developing, testing, and implementing a Comprehensive Assessment system for the State of Oregon. Since AASA's business requirements match those of Oregon, the development of CARE will be based upon a transfer of Oregon's design. AASA has contracted with Starling Consulting Inc., for external Quality Assurance.

The phases are:

- Phase I (AASA & Deloitte) – Phase 1 project management plan, technical requirements, business requirements, preliminary design, and Phase II Project management plan.
- Phase II (AASA & Deloitte) – Final design, development, and testing.
- Phase III (AASA only) – System implementation.

**Technology:** Oregon's system was developed using PowerBuilder, a software technology that DSHS does not have. Therefore, the decision was made to transfer Oregon's design and Deloitte's methodology and knowledge to AASA, but use JAVA and Microsoft SQL Server database technologies to develop the system. Both DSHS and Deloitte have extensive knowledge of these tools.

**Life Cycle Stage:** Phase II – Final Design, Development, and Testing

**Budget:** The five-year lifecycle cost for the project is \$6.7 million. Of this amount, \$2.965 million is allocated to the Deloitte Consulting contract scheduled through June 2003. AASA staff costs for the first year are project at \$1.162 million. As of June 30, 2002, the budgeted and actual Deloitte expenses were \$408,450.

The original project cost was \$2.965 million; the total after contract negotiations was \$2.798 million. During Phase I, five out of scope items were identified as being necessary for inclusion in Phase II; the cost of these was \$168,000 for a revised total of \$2.966 million.

Phase II: Deliverables, Cost, Schedule, and Status

| <b>Deliverable</b>   | <b>Payment Schedule</b>                       | <b>Delivery Schedule</b> | <b>Status</b>     |
|--|---|--------------------------|-------------------|
| <b>Task 1: Project Management</b>                          | <b>July 22, 2002 – March 31, 2003</b>         |                          |                   |
| Phase II Project Management Plan                           | \$97,300                                      | Aug 16, '02              | Completed on time |
| <b>Task 2: Design CARE</b>                                 | <b>July 22, 2002 – September 27, 2002</b>     |                          |                   |
| Data Model Definitions Document                            | \$397,800                                     | Sept 13, '02             | Started on time   |
| Technical Design Document                                  | \$397,800                                     | Sept 27, '02             | Started on time   |
| <b>Task 3: Develop CARE</b>                                | <b>September 2, 2002 – January 3, 2003</b>    |                          |                   |
| Unit Tested Washington CA/P Software Components            | \$499,000                                     | Nov 15, '02              | Started on time   |
| Completed Program Specifications                           | \$394,000                                     | Nov 29, '02              |                   |
| <b>Task 4: Conduct CARE Testing</b>                        | <b>October 7, 2002 – February 28, 2003</b>    |                          |                   |
| Washington CA/PS Test Plan                                 | \$288,600                                     | Oct 18, '02              |                   |
| System Tested Washington CA/P Software Components          | \$319,400                                     | Jan 3, '03               |                   |
| User Acceptance Tested Washington CA/P Software Components | \$124,000                                     | Feb 28, '03              |                   |
| <b>Task 5: Plan for Pilot &amp; Implementation</b>         | <b>September 23, 2002 – December 13, 2002</b> |                          |                   |
| Pilot and Implementation Plan                              | \$39,900                                      | Dec 13, '02              |                   |
| <b>Subtotal (Phase II):</b>                                | <b>\$2,557,800</b>                            |                          |                   |

**Status:** Although Phase I was completed six weeks late, AASA was able to begin Phase II prior to the close of Phase I. During Phase I several out-of-scope requirements were identified. Ultimately five were included in Phase II after change control approval. The schedule and budget were adjusted accordingly. The project is currently on schedule. This is a fixed price contract.

The most recent risk assessment submitted on August 27, 2002 shows a significant decrease between Phase I and Phase II for the risks associated with business process changes and technology. Based on lessons learned from Phase I, AASA has modified its procedures for acceptance of project deliverables. By reviewing them sooner and more often, AASA expects to mitigate the risk of slips in the schedule.

Changes to business processes represented the area of highest risk at the beginning of the project. AASA has made a concerted effort to keep the stakeholders apprised of the business process changes that will be embodied in the new system. AASA has held numerous sessions to review project progress, present prototypes of the system look and feel, and display the new technology that will be used by the caseworkers. AASA's ongoing mitigation and communication plans have been effective in mitigating this risk.

In the technology category, almost all issues involving the porting of the application to JAVA and SQL have been resolved. More than 20% of the application functionality has been developed and technical staff indicates that few problems remain to be resolved.

Schedule and budget risks have increased in Phase II. Five weeks were added to the schedule to complete the five out-of-scope requirements. This modification has removed most, if not all, of the slack originally built into the schedule. The increased risk to the budget is based upon the potential that new critical items or other unforeseen costs will be identified during development or implementation. Additional budget cuts during the next Legislative session may also negatively impact project implementation. AASA is mitigating the financial risk by strict enforcement of its change control process and by reviewing the implementation plan for costs that might be reduced.

The greatest unknown risk is the effect that the proposed case management project for the Division of Developmental Disabilities (DDD) in the Health & Rehabilitation Services Administration (HRSA) will have on CARE. DDD must implement a new case management system to satisfy federal audit and Legislative Evaluation and Accountability Program (LEAP) study requirements. Portions of CARE might be used to satisfy some of the requirements, but DDD was not part of the original requirements definition activities. A DDD decision to have CARE modified to address their requirements could push AASA's implementation date farther out; a decision to wait until CARE is implemented to make the DDD modifications could be more costly for DDD. This decision is scheduled for late September.

Another risk is that DSHS recently announced that effective October 1, 2002 DDD will be moved from HRSA to AASA. The effect of this restructuring on the AASA CARE project is being studied.

This continues to be a well-managed project. Oversight staff will continue to work with AASA and DDD to determine how best to proceed with satisfying DDD case management requirements.

**Recommendation:** DIS recommends a reassessment of the project's severity and risk in the event that DSHS decides to include DDD's requirements at this stage of the project. If the decision is made to not include DDD, DIS has no recommendations for this reporting period.